



WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION
REQUEST FOR PROPOSALS (RFP)

**Request for Proposals for Electrical Energy from Renewable Resources for
Several DOD Customers and UC Davis in Northern California**

Schedule (Subject to Change)

Issue Basic RFP.....November 2, 2004
Phase 1 Offers Due.....November 15, 2004
Phase 2 Offers Specified.....November 19, 2004
Phase 2 Offers Due and SelectedNovember 23, 2004
Confirm Agreements ExecutedDecember 1, 2004
Power Delivery Commences.....January 1, 2005

1. Introduction

The Western Area Power Administration (Western) is an administration within the U.S. Department of Energy (DOE). Western's Sierra Nevada Region principally markets power from the Central Valley Project (CVP) located in northern and central California.

Western acts as an agent in the procurement of electric power supplies and services through agreements with the U. S. Department of Defense (DOD) on behalf of the U. S. Air Force (AF) and U. S. Navy (Navy), as well as an agent for the Regents of the University of California (Regents) on behalf of the University of California at Davis. The AF sites include Beale Air Force Base (AFB), Travis AFB and Onizuka Air Station. The Navy sites include the Dixon Naval Radio Station and the Lemoore Naval Air Station.

Western is seeking to procure renewable energy supplies for the DOD and Regents loads with delivery to commence on January 1, 2005. Alternatively, Western will consider obtaining Renewable Energy Certificates (RECs) only on behalf of DOD. (RECs are defined as the intangible environmental benefits, and any other attributes, associated with generating one megawatt-hour of electric energy by a renewable resource.) As set forth in more detail below, this procurement process is structured in the following two phases:

- A.** Phase 1 provides each offeror an opportunity to document its qualifications. It also sets forth a request for proposals on 3 portfolios of firm energy for varying periods of time that include 0 percent, 10 percent, 50 percent, and 100 percent renewable energy. Under Phase 1, Western also seeks indicative offers for RECs for varying periods of time. Phase 1 asks each offeror to submit indicative offers for any or all of these products. Western will determine each offeror's qualification to supply each product for which an offer has been submitted.
- B.** In Phase 2, offerors will be asked to provide refreshed firm transactable offers on products specified by Western. The products specified in Phase 2 will be the same items as in Phase 1, but may be for different amounts based on customer input after consideration of Phase 1 offers (see Section 5.B for more details).

2. Designated Representatives and Address for Submittal of Offers

Each offer must be submitted via an email addressed to both of the following email addresses:

mwhite@wapa.gov

ungvari@wapa.gov

In addition, a fully executed original of Attachment A must be submitted to Western's designated representative by November 15, 2004, at the address that immediately follows.

Western's designated representative for this solicitation is:

Mr. Mark White, N6421
Western Area Power Administration
Sierra Nevada Region
Power Marketing Division
114 Parkshore Drive
Folsom, CA 95630-4710
Phone: (916) 353-4408
Fax: (916) 985-1931
Email: mwhite@wapa.gov

Unless the offeror's credit rating or financial condition has materially changed, a bidder that has submitted the equivalent of an Attachment A with financial information to Western within six months of the date of this solicitation in response to another Western solicitation need not resubmit such information.

3. Specifications for Supplies

A. Renewable Energy Criteria

Renewable energy is being acquired to comply with both the Federal and California state renewable energy policy goals. Therefore, the products offered need to comply with both sets of criteria. California state criteria are more specific than current Federal guidelines and therefore the former are controlling. Specific definitions and qualifications are provided in the California Energy Commission Renewables Guidebooks available at <http://www.energy.ca.gov/renewables>. In brief, the criteria include the following:

Qualifying renewable energy sources for electricity generation include:

Biodiesel;

Biomass (not including combustion of municipal waste);

Geothermal;

Municipal solid waste derived fuel, such as landfill gas;

Ocean (tidal, thermal gradient, wave, etc.);

Photovoltaic;

Solar thermal, such as concentrating solar power; and

Wind.

Specifications for each of these resources may vary depending on in-service date. See the above web site for additional details. Note that guidebook criteria for supplemental energy payments (SEP) are not applicable to this solicitation.

Power must be from generators placed in service after 1990, including power from re-powered projects. In other words, a pre-1990 project that was re-powered after 1990 will qualify.

RECs sought under this solicitation that are not associated with specific renewable energy portfolios must be from the sources, locations, and resource vintages noted above that have been certified by the State of California as renewable or by other third parties (such as the Green-e Renewable Certification Program). Such certification must demonstrate that the RECs are original and no additional RECs are sold based on the same power production. RECs must be for the same year as the year of consumption, although they may be provided at the end of the year instead of monthly or other frequency.

Questions about the ability of renewable energy resources to meet the standards of this solicitation may be directed to the following:

Mr. Mike Warwick
503-417-7555
mike.warwick@pnl.gov

Mr. Mike Santoro
850-283-6463
mike.santoro@tyndall.af.mil

B. Points of Delivery

Resources sought under this solicitation must be in the State of California or delivered to the California Independent System Operator (CAISO) nodes at the California-Oregon Border (COB) or NP15 load zones.

C. Products Sought

Western, on behalf of DOD and the Regents, will consider purchasing some combination of the following products to satisfy some or all of the electric power requirements of the DOE and Regents loads noted in Section 1 above. Such deliveries shall commence on January 1, 2005.

1. For terms of 1, 5, 10, or 20 years, with 0 percent, 10 percent, 50 percent, or 100 percent renewable energy, with delivery at NP15 or COB, the following amounts energy:

Month	On-Peak (MW)	Off-Peak (MW)
January	30	30
February	30	30
March	30	30
April	15	30
May	0	20
June	0	30
July	0	30
August	10	30
September	25	30
October	25	30
November	30	30
December	30	30

Pricing for the above products must be an annual MWh rate or a single MWh rate for the full contractual period. Indexed prices will not be considered to be responsive to the solicitation.

2. RECs for 1, 5, 10, or 20 years for 100,000 MWh or 200,000 MWh annually. Pricing for the RECs must be an annual MWh rate or a single MWh rate for the full contractual period.

D. Quality of Service

The energy offered in response to this solicitation must be delivered “firm” to the stipulated delivery points. “Firm” is defined as CAISO Firm for deliveries to NP15, or WSPP Service Schedule C firm for deliveries to COB.

4. Phase 1 of the RFP – Qualification of Offerors and Offers

Subject to the terms specified in this solicitation, Western seeks qualified suppliers for resources that provide renewable energy at a competitive cost.

Qualification of Offerors under Phase 1

In Phase 1 of the RFP, each offeror is asked to document its qualifications. Each offeror will be evaluated by Western to determine its qualification to provide each product that it offers to supply. Each offeror agrees to advise Western prior to award of contract of any material change in its circumstances which might reasonably impact a determination of qualification.

Evaluation of Qualification will consider the following points:

1. Financial Condition. Each offeror is required to complete and submit the “Statement of Financial Conditions and Credit Worthiness” at Attachment A, which focuses on the offeror’s financial condition.
2. Source of Supply. For each line item offered, the offeror is to identify the source(s) of power or generating unit(s), if known, and demonstrate, to the satisfaction of Western, its capability to deliver firm capacity and energy to the specified delivery points. Offerors may, for example, provide information about the historical dependability of the resource(s), using an industry standard measure such as capacity factor and forced outage rates; or provide typical outage rates for similar power plants of the same manufacturer, owner, technology, age and fuel type. Further, the offeror should address whether a single generating unit or transmission facility could interrupt power delivery.
3. Transmission Availability. For each line item offered, the offeror is to demonstrate, to the satisfaction of Western, that the availability of transmission capacity between the resource(s) offered and the specified point of delivery are adequate to deliver the offered resource(s). Offerors may be asked to provide more detailed information about the transmission path(s), terms of third-party transmission agreements, and procedures for curtailing deliveries.
4. Environmental Impact. The offeror must identify the type of renewable energy source offered and should explain the environmental impact of the generating resource(s), based on the technology used to generate the power, and compliance with applicable environmental regulations. Offerors proposing a variety of renewable resources and technologies should include the requested information about each resource and technology type where possible and the approximate percent contribution of each to the total resource proposed.

Western may require an offeror to demonstrate its ability to post a form of credit support to ensure its performance under any power purchase agreement. The amount of such

credit support would be based on Western's evaluation of the offeror's credit condition and a determination of the financial obligations of the offeror under the terms of a power purchase agreement. Such credit collateral must be in a form acceptable to Western, for example, a parental guarantee from a creditworthy entity, a letter of credit from an investment grade institution, or cash on deposit in escrow.

A. Offers Under Phase 1

In this Phase 1 of the RFP, each offeror is invited to submit offers for each product. The offers submitted will be utilized for the following purposes:

1. To identify which products an offeror is interested in providing; and
2. To obtain indicative pricing on the various products requested in order guide Western and its customers in the determination of which products will likely be most economical to serve the DOD and Regents loads.

B. Submittal of Offers Under Phase 1

Offers under Phase 1 must be received at the email addresses identified in Section 2 above no later than **4:00 p. m. PST on November 15, 2004.**

If Western, at its sole discretion, after Phase 1, determines any amendment to the RFP is required, such amendment will be communicated in the same manner as the original solicitation.

5. Phase 2 of the RFP – Firm Price Bids for

A. The Preferred Portfolio Under Phase 2

Western will evaluate the offers received under Phase 1 and any other factors which, in Western's sole discretion and judgment, are relevant to its portfolio management responsibilities. Western reserves the right to modify any or all the products specified in Phase 1 based on its and its customers' evaluation of its needs. Based on this evaluation, Western will preliminarily determine the preferred product(s) it desires to purchase for the DOD and Regents loads for service beginning January 1, 2005. Western will notify qualified offerors, via email, that provided indicative offers on the products specified in Phase 1 of the products needed for its renewables portfolio by **2:00 p.m. PST on November 19, 2004.**

B. Submittal of Firm Price Bids Under Phase 2

Offerors desiring to participate in Phase 2 must provide firm transactable offers on the preferred products specified by Western to the e-mail addresses identified in Section 2 above by **9:00 a.m. PST on November 23, 2004.** Offers may be

submitted earlier than the deadline, but offerors must allow Western to transact upon these offers until at least **1:00 p.m. PST on November 23, 2004.**

Under Phase 2, Western will notify successful offerors that its offer has been accepted by **1:00 p.m. PST on November 23, 2004.**

6. General Terms

A. Selection for Award

Western will evaluate offers received and make its selection(s), if any, based on price, the offeror's financial information, the projects used to supply the energy, the firmness of transmission arrangements, resource diversity and any other factor, which, in Western's sole discretion, is applicable to this solicitation.

Western reserves the right to accept or reject any and all offers received, or to re-solicit for offers, where such action is deemed advantageous for Western. An offeror's proposal will be deemed accepted only when a Confirmation Agreement has been executed and delivered by Western to the selected offeror.

Western has no obligation to accept any offer, whether or not the stated price is the lowest price offered in the solicitation process, and may reject any offer, in its sole judgment and discretion, for any reason, without any obligation to disclose the reason or reasons for rejection.

B. Confirmation Agreements

Western and each successful offeror will, within 5 working days of selection, enter into a Confirmation Agreement pursuant to the Western Systems Power Pool (WSPP) Master Agreement. Except for the RECs only products specified in Section 3.C.2, the only amendment to the WSPP Master Agreement will be the addition of the required Federal provisions set forth below, plus any additional credit instrument required by Western. Confirmation agreements for the REC only products will have additional terms as needed. The WSPP Master Agreement is available at <http://www.wspp.org>. Western may in its sole discretion extend the period for execution of the agreement.

C. Legal and Regulatory Requirements

Any contract entered into with Western will be consistent with Federal law, regulations and policies.

Department of Energy National Environmental Policy Act Compliance: If Western receives offer(s) for resources not yet constructed and selects the offer(s) for further consideration, it must first consider the potential environmental impacts of constructing and operating the resource as required by the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 et seq.) and the Department of Energy NEPA Implementing Procedures (40 CFR 1021). Western may reject offers if, in its judgment, the above-mentioned compliance requirements would cause power delivery to be delayed beyond January 1, 2005.

The following required Federal provisions will be included in any Confirmation Agreement or bilateral agreement with an offeror:

Covenant Against Contingent Fees: The contractor warrants that it has not employed or retained any person or selling agency to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by their respective organizations for the purpose of securing business.

For breach or violation of this warranty, Western shall have the right to annul or terminate the contract without liability or in its discretion to deduct from the price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

Contingent upon Appropriations: Where activities provided for in this contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States obligations under the contract. In case such appropriation is not made, the contractor hereby releases the United States from its obligations and from all liability due to the failure of Congress to make such appropriation.

Depending on the Congressional funding authority received by Western for 2005, the following clause may be required: Western's ability to fulfill its obligations under this contract is contingent upon customers that have signed up for this energy making adequate funds available to Western under specific agreements between Western and those customers. Suppliers shall not be obligated to deliver power for which adequate funding has not been provided to Western. Western shall include provisions in agreements between Western and its customers that require those customers to advise Western as soon as possible of any potential funding limitation

that may adversely affect Western's ability to perform its payment obligations under this contract. If a customer fails to make sufficient funds available to Western to fund purchases under this contract, the sale and purchase of power under this contract shall go into suspension beginning with the first day that funds will no longer be available until such time as sufficient funds are again available, or until a 90-day period has elapsed, whichever occurs first. For the period of suspension, Western and supplier shall be released from their power supply and purchase obligations with no further liability. After such suspension period has passed, if the customer(s) have not funded Western's obligation to purchase power on their behalf pursuant to the applicable bilateral agreements, then either Party to this contract may permanently terminate their respective power supply and purchase obligations; Provided, That all obligations that either Party has performed or which have accrued as of the date of suspension or termination shall survive the suspension or termination. Western's inability to perform under the contract, including its failure to receive energy under the contract, due to the failure of its customers to provide sufficient funds to Western, shall not result in liability to Western nor shall Western be deemed a "Non-Performing Party" under Section 21 of the Western Systems Power Pool Agreement.

Contract Project Work Hours and Safety Standards: The contract, to the extent that it is of a character specified in Section 103 of the Contract Project Work Hours and Safety Standards Act, 40 U.S.C.A. § 329, is subject to the provisions of the Act, 40 U.S.C.A. §§ 327-333, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

Equal Opportunity Employment Practices: Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by E.O. No. 12086, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the contract.

Use of Convict Labor: The contractor agrees not to employ any person undergoing sentence of imprisonment in performing this contract except as provided by 18 U.S.C. 4082 (c) (2) and Executive Order 11755, December 29, 1973.

D. Protection of Business Sensitive Information

If an offeror wishes to have part of the information in its offer protected from public disclosure, the offeror shall mark sensitive sections of the offer "Proprietary – Business Sensitive." Western will use its best efforts not to disclose sensitive business information that has been so identified in good faith in submissions, except as required by law or court order.

E. Disposition of Offers

Offers submitted in response to this solicitation will not be returned to bidders. At the conclusion of the solicitation process, all offers will be archived by Western until the conclusion of all contractual obligations resulting from this solicitation process and the conclusion of any other required regulatory, review or other processes as may be required.

**STATEMENT OF FINANCIAL CONDITIONS AND
CREDIT WORTHINESS QUALIFICATIONS**

The following information will be used to assess the applicant's creditworthiness.

A. Company Information

Type of Business

- ☐ Corporation
- ☐ Limited Liability Company
- ☐ Joint Venture
- ☐ Other (describe)

Applicant Organization

Legal Corporate Name:
Street Address:
City, State, Zip Code:
Dun & Bradstreet Number:
Federal Tax ID Number:

Applicant Credit Contact Name

Name:
Title:
Phone Number:
Email Address:

For Corporation/Limited Liability Companies

Date and State of Incorporation/Registration:
Registered Agent name:
Street Address:
City, State, Zip Code:

For Limited Partnerships

Name of General Partner:
Address of General Partner/Registered Agent:
City, State, Zip Code:

B. Basis for Evaluation of Credit

This evaluation of credit is to be based on the credit worthiness of the Offeror or its parent company as indicated below:

- ☐ The Offeror listed under Section A.
- ☐ The parent company listed below.

Parent Guarantor Company

Legal Corporate Name:
Street Address:
City, State, Zip Code:
Dun & Bradstreet Number:
Federal Tax ID Number:

C. Credit Information

The entity indicated in Section B is required to submit the most recent 2 years of financial statements audited by a firm of certified public accountants of national standing. Indicate below what statements are being submitted.

☐ Annual Report
☐ 10K
☐ 10Q
☐ Other (describe)

In the event the above information is inadequate to appropriately assess the entity's creditworthiness, the entity must provide evidence of its capability to provide collateral instruments, its capability to borrow and other sources of liquidity.

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the offering entity's financial information is consolidated with other entities, then it is the offering entity's responsibility to extract and submit as separate documents all data and information related solely to the offering entity. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP.

Has the offering entity or predecessor company declared bankruptcy in the last 5 years?

☐ Yes
☐ No

Are there any pending bankruptcies or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of the offering entity?

☐ Yes
☐ No

If the answer is "Yes" to either of the above questions, please provide an addendum to this application describing the situation and how it affects the offering entity's ability to meet or not to meet its credit obligations.

Offering Entity's Credit Rating

Standard & Poor's

Last Rating Date:
Senior Unsecured Long term Debt Rating:

Moody's

Last Rating Date:
Senior Unsecured Long term Debt Rating:

Fitch

Last Rating Date:
Senior Unsecured Long term Debt Rating:

Along with the above information, attach the latest review from each of the agencies.

D. Bank Reference Information

Bank Name:
Street Address:
City, State, Zip Code:
Contact Name:
Phone Number:
Fax Number:
Account Number:
Revolving Credit Facility? ____ Yes ____ No
 If Yes,
 Amount of Facility: \$
 Expiration Date:

E. Authorization

The Offering Entity hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Offering Entity's knowledge and belief. The undersigned authorized official of the Offering Entity warrants that the Offering Entity agrees to be bound by these representations. The Offering Entity authorizes the above listed entities to release data requested by Western Area Power Administration necessary to perform a credit check in connection with Offering Entity's interest to bid on this Power RFP.

Offering Entity's Company Name: _____

Signature of Authorized Official: _____

Name of Authorized Official (print): _____

Title of Authorized Official (print): _____

Date Signed: _____